

1 percent occupancy rate?

2 A Yeah. Uh-huh.

3 Q And Corridor II has about the same, --

4 A No.

5 Q -- 70-75 percent?

6 A Not yet. But when the new leases come in, that will be.

7 Q The new leases, have they been signed yet?

8 A Yes.

9 Q Who are the new tenants?

10 A There is a jewelry company from China. They are opening
11 their mart at the sixth floor in the second building. Is
12 called Bead. And Jewelry World.

13 Q And how much is their lease?

14 A Their lease will be \$30,000. Is full floor. The sixth
15 floor.

16 Q What is your current cash flow from tenants, that you
17 receive from tenants as of this date?

18 A I think we already have here in the record, but round
19 about like \$56,000. \$65,000. Between that. Just fluctuates
20 like that.

21 Q Have you signed any leases with new tenants since closing
22 in the summer of 2005?

23 MR. FUQUA: And when you say "you," do you mean the
24 Debtor or the management company?

25 MR. ROSEN: The Debtor or the management company.

1 THE WITNESS: Yeah. We signed the --

2 BY MR. ROSEN:

3 Q How many leases, new leases from tenants have you signed
4 after --

5 A We have all these this year. We can furnish you that.

6 Q How many do you know that you signed up?

7 A I have no knowledge. The management company has that
8 knowledge.

9 Q You're the only employee of your company, correct?

10 A Yes.

11 Q How many employees are in the Galleria?

12 A We have cleaning crews. We have three right now, the
13 management company. One the manager, one the assistant
14 manager, and one the coordinator between them.

15 Q And they all answer to you?

16 A Yeah.

17 Q Have you, Galleria or the Debtor, entered into any leases
18 since you have purchased the building in which the tenants are
19 not paying rent or have rent deferred?

20 A Oh, we had that, and we already send them out when we
21 found out that the old management have some kind of arrangement
22 with them.

23 Q I'm asking you if, since your ownership, you have signed

24 --

25 A Yes.

Rashid Examination

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1 Q -- leases --

2 A That was a lease signed, and that -- we already let them
3 go.

4 Q Have you ever, you the Debtor or Galleria, ever received
5 funds from tenants in advance of signing a lease in exchange
6 for getting free rent for one, two or three-year periods?

7 A As far as I know, I -- I have no knowledge.

8 Q So you have not received --

9 A No. I have no --

10 Q -- funds like that?

11 A I have no knowledge.

12 Q \$50,000?

13 A No.

14 Q Okay. And you have the names of the three law firms that
15 vacated that totaled 25,000 square feet at \$1.50 a square foot?

16 A Yes, sir.

17 Q Do you have any communications with the old owners on the
18 building?

19 A No.

20 Q Do you have any communications with Joe Zalta?

21 A No. Since he got ill, no.

22 Q Does Joe Zalta have an interest in the building?

23 A No.

24 Q An equitable interest through arrangements with you?

25 A No.

1 Q Had you received any funds from the owners of the building
2 from the purchase price that was paid for from the loans from
3 Centrum and my client?

4 A No.

5 Q None?

6 A None. They are in -- what they call the 1031 interest
7 account or something for the owners.

8 Q Have you ever borrowed any money from the owners you
9 purchased the Corridor buildings from?

10 A No.

11 Q As I understand what you've testified earlier to about is
12 that Geotel has a \$2.7 million contract for the refinery?

13 A Uh-huh.

14 Q Who is that \$2.7 million contract with?

15 A I have no idea. You ask your client.

16 Q How do you know that there's a \$2.7 million contract?

17 A The person came to our office to announce us that he
18 bought the refinery.

19 Q Who was this person that came to your office to announce
20 it?

21 A Is Chick Parkson.

22 Q Can you spell that for us?

23 A C-H-I-C-K.

24 Q Chick?

25 A Uh-huh.

Rashid Examination

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1 Q What's the last name?

2 A Parkson.

3 Q Parkson? Okay. And Mr. Parkson has told you that there's
4 a contract with my client --

5 A Yes.

6 Q -- to purchase that for \$2.7 million?

7 A Yes, sir.

8 Q When did he tell you that?

9 A Two months ago.

10 Q Is there any other information you have that would lead
11 you to believe that the property is under contract?

12 A That he told us.

13 Q Just that?

14 A Uh-huh.

15 Q And this would be the same property we're talking about --

16 A Yeah. Mohawk.

17 Q -- that you paid \$175,000 for. Correct?

18 A Yeah.

19 Q Okay.

20 MR. ROSEN: I have nothing further. Thanks.

21 MR. FUQUA: She's a paralegal with our office.

22 MR. STOKES: Oh, okay. I'm Jim Stokes, and I
23 represent Bruce and Connie Oyler. I've got a few questions
24 here.

25 EXAMINATION BY MR. STOKES

1 BY MR. STOKES:

2 Q Since we were just talking about the building or the
3 Corridors, I've got a few questions on that.

4 Now, I understand that you had an appraisal done three
5 years ago for \$29 million market value and \$24 million income
6 value. I take it that was not your appraisal, since you didn't
7 buy the building until last year. Is that one that the seller
8 showed you?

9 A That was the appraisal done at that time, because we was
10 under contract to buy the building and the lender, U.S. Bank,
11 asked us to appraisal. That was done.

12 Q Okay. When did you enter into a contract to buy the
13 Corridor building?

14 A In 2003.

15 Q And who did you buy it from?

16 A From Nuri Hakeem, Eddie Hakeem, and Jack Hakeem, and Penny
17 Realty.

18 Q Okay.

19 A There was four owners.

20 Q Four owners. Would you give me those names again? Nuri?

21 A Nuri Hakeem.

22 Q Nuri Hakeem?

23 A Eddie Hakeem.

24 Q Eddie Hakeem?

25 A Edward. Edward Hakeem.

1 Q Edward Hakeem? Okay.

2 A And Jack Hakeem.

3 Q All right.

4 A And Penny Realty.

5 Q Penny?

6 A Realty.

7 Q Reality?

8 A Yeah. Realty.

9 Q Okay. Is that a person's name or is that a company?

10 A Is a company.

11 Q Penny Realty? Okay. Like a real estate company?

12 A Real estate company, yeah.

13 Q Okay. And what was your contract -- how much was the

14 contract to buy the building?

15 A \$30 million.

16 Q \$30 million? And did you have that appraisal done or did

17 they have that done?

18 A I had done that one.

19 Q Okay. And how much did you pay them at that time to enter

20 into the contract?

21 A \$40,000.

22 Q Okay. 40? And as part of the contract, --

23 A That was the down payment we put with the title company.

24 Q All right. And did you occupy the building after that

25 time?

Rashid Examination

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1 A Oh, yeah, we have offices there.

2 Q I mean, did you occupy and manage the whole building at
3 that point?

4 A No. No, no, no. We never have that until we close the
5 building.

6 Q And you closed in July in '05?

7 A Yes, sir.

8 Q Okay. Now, Joe Zalta was the manager. Was he one of the
9 owners of the -- prior to the sale?

10 A No.

11 Q Okay. And Joe continued to manage it?

12 A Yes, until November, yeah.

13 Q Okay. And you say you spent about \$9 million fixing up
14 the building?

15 A \$5 million in the buildings. Rest for my refinery.

16 Q Okay. You spent \$5 million on the building?

17 A Yeah.

18 Q And \$4 million on your refinery?

19 A Yes.

20 Q Okay. So \$4 million had nothing to do with --

21 A No.

22 Q I believe you told Mr. Rosen you spent about half of that
23 \$9 million prior to --

24 A So that is the \$5 million, close to \$5 million.

25 Q How much of the \$5 million -- okay. How much did you

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1 | spend fixing up the building?

2 | A That's the total amount I gave you. \$5 million.

3 | Q Okay. And you spent that before you bought the building?

4 | A Yes, sir. From 2003 until the closing. That was the
5 | commitment with them was.

6 | Q All right. So the \$4 million has nothing to do with the
7 | Corridors?

8 | A No.

9 | Q Okay. And what did that have to do with the refinery?
10 | What was that \$4 million for?

11 | A We was improving all the equipment over there. We are
12 | contracting the people to buy the equipments and everything.

13 | Q And did you have any further appraisals done of the
14 | Corridors before you bought it?

15 | A No.

16 | Q Do you know what it's on the tax rolls for?

17 | A I don't know. After the closing, we submit to the
18 | Appraisal District \$13 million.

19 | Q Do you think the building is really worth anywhere close
20 | to that figure?

21 | A I don't -- I have no knowledge.

22 | Q How much have you actually paid for the purchase of the
23 | building?

24 | A \$12.3 [million].

25 | Q You paid \$12.3 [million]?

1 A Uh-huh.

2 Q Is it paid for or do you still have a note on the
3 building?

4 A There are notes. One first \$11 million, and a \$1.3
5 [million].

6 Q Okay. So those notes you show on here are -- okay. Now,
7 as far as Mr. Hendricks, you show him to be your Chief
8 Financial Officer?

9 A Yes, on a contract basis.

10 Q All right. Now, getting back to the deal with my clients,
11 you borrowed, in conjunction with JB Trays, you personally and
12 Global Empire and JB Trays and Jesse Botello personally, about
13 \$558,000. Is that correct?

14 A No.

15 Q Okay. Then why did you execute a note for \$550,000 to --

16 A Because at that time we had a contract with JB Trays to
17 borrow the JB Trays and we help them to get their jobs done.

18 Q About half of the money from -- my understanding is, as
19 far as that loan that my clients took out, borrowed against
20 their house, to get you some operating capital, and about
21 \$90,000 went to repay a loan that Mr. Botello owed to my
22 client, and the balance was split equally between you and Mr.
23 Botello. Is that --

24 A No, I have no knowledge of that. \$90,000 was paid to his
25 mother because he was very desperate to take care of his

1 mother.

2 Q Now, he --

3 A And the rest of the money, he has arrangement with Jesse
4 Botello and him. I am not a part of that.

5 Q But you received approximately \$225,000 to -- in excess of
6 \$200,000 from this deal --

7 A We did that, and we paid back. We kept the mortgage
8 payment monthly, nine -- eight thousand dollar plus, until they
9 refinance their property, and that is I think excess of the
10 amount what we got.

11 Q How many months did you pay that \$8,000 a month?

12 A I have no idea. I will give you all the records, if you
13 like to.

14 Q I've seen your --

15 A Because you already have a lawsuit on that.

16 Q Right. I understand --

17 A Yes.

18 Q -- that you claim you've paid back about \$119,000 on the
19 note.

20 A Yes. We --

21 Q That was mostly interest, though, wasn't it?

22 A What, sir?

23 Q That was mostly interest, wasn't it? Because the
24 underlying loan was an 18 percent loan?

25 A Whatever the deal is, that the interest payment we kept,

1 | that they will not lose their home.

2 | Q Okay. Did you --

3 | A And that was -- there is no commitment on that one that we
4 | kept that one paying.

5 | Q Other than those payments that you don't remember how long
6 | you made, you did not repay the loan. Correct?

7 | A No.

8 | Q And you don't --

9 | A Because we have a dispute with the JB Trays that the JB
10 | Trays took the rest of the money, and we have with them on that
11 | one.

12 | Q Okay. Are you saying that JB Trays got the money?

13 | A Yes. For the rest of the money goes back to them.

14 | Q Okay. Did you take the money that you received and
15 | transfer it to JB Trays?

16 | A No, not me.

17 | Q Okay. How did it go to JB -- how did JB --

18 | A They sent to JB Trays.

19 | MR. FUQUA: He's saying he didn't get any money.

20 | BY MR. STOKES:

21 | Q You received half of the money initially, didn't you?

22 | A No. We paid the --

23 | Q It was wired into your account.

24 | A Yes. That -- that money which we got is not half.

25 | Q How much was it?

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1 A I don't -- I have no knowledge. I have to check the
2 figures.

3 Q Okay. But you had a substantial sum wired into your
4 account, correct?

5 A I will check the books. I will give you that answer. I
6 don't have it today.

7 Q All right. And then did you transfer any of that part
8 that you received to JB Trays?

9 A I have no knowledge. I will look in that one. I'll let
10 you know.

11 Q Now, isn't it true that Mr. Hendricks, your CFO, set this
12 financing up initially?

13 A That, he did that. He did that one with JB Trays.

14 Q Was that one of the deals you were talking about --

15 A He was independent. At that time, he was not our CFO.

16 Q When did he become your CFO?

17 A He became in 2004.

18 Q 2004?

19 A Uh-huh.

20 Q And you're going to provide the projects and the financing
21 he set up to document a \$2 million you claim you owe him?

22 A Uh-huh.

23 Q You said you're borrowing a million dollars from Abul --
24 is it Hassan?

25 A Yeah. Hussain.

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1 Q Hussain? And he's a relative of yours?

2 A No, he's a friend of our family.

3 Q He's a friend of the family?

4 A Uh-huh.

5 Q Okay. And the whole loan is coming from him, one million
6 bucks?

7 A Yes.

8 Q Have you been able to replace the -- now, the law firms,
9 were they in Corridor I or II or both, or do you know?

10 A I don't know.

11 Q Well, you say that Corridor I is 70-75 percent leased. Is
12 that after the law firms have left, or have they been replaced
13 by other tenants?

14 A They were replaced with the other tenants we are in
15 process of bringing in.

16 Q Okay.

17 A Uh-huh.

18 Q Was Jeffrey Stern one of the --

19 A I think that was one of them.

20 Q -- a principal of one of the firms, and they had most of
21 one of the floors? About half.

22 A Half. Half of that, yeah.

23 Q But you don't know the other law firms?

24 A No, I don't have those names. But I can give you that.

25 Q All right.

Rashid Examination

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1 A Uh-huh.

2 MR. STOKES: That's all I have.

3 A VOICE: Thank you. Going back to --

4 EXAMINATION BY UNIDENTIFIED CREDITOR

5 BY A VOICE:

6 Q The Mohawk Refinery in Chambers County that my client
7 foreclosed on has storage tanks, top-off tanks, 25, 35, 45
8 years old on the property. You're aware of that, aren't you?

9 A 35 years old?

10 Q Anywhere from -- they're older than 10 years old.

11 A All right.

12 Q Correct? Yes?

13 A Uh-huh.

14 Q And --

15 A They are in good conditions.

16 Q They are in good condition?

17 A Uh-huh.

18 Q You've expended about \$4 million on equipment. That
19 equipment was intended to be brought onto the property --

20 A Yes, but we -- we clean up. We spend more than million
21 dollars to clean up and maintain the -- maintain that facility
22 until we bring the new stuff in.

23 Q Where is the new stuff, is what I want to know, that you
24 spent, well, then \$3 million?

25 A We bought that one we have under contract with different

1 providers.

2 Q Well, where is the equipment itself physically located as
3 we speak?

4 A Is not physically located, but is -- they have the -- they
5 are acquiring for us to bring that one onto the place when we
6 are ready.

7 Q And you've already paid \$3 million for that equipment?

8 A We already are under contract with them, yes.

9 Q Well, I guess I really would like an answer is, have you
10 actually paid --

11 A Not yet. Not yet.

12 Q -- \$3 million?

13 A Not yet. Some of the payment we did, but not yet the
14 complete.

15 Q So at least, of that \$10 million, of which \$5 [million]
16 was for Corridor spending and \$5 [million] you relate to Mohawk
17 Refinery, --

18 A Uh-huh.

19 Q -- at least \$3 million is for equipment that you have not
20 paid for yet?

21 A No.

22 Q So you've not expended that \$3 million yet?

23 A No, not yet.

24 Q Okay. And the \$1 million you say you've expended to
25 improve the actual property --

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1 A Yes.

2 Q -- in Chambers County, --

3 A Uh-huh.

4 Q -- you have receipts for all that?

5 A Yeah.

6 Q And you have records to show that you paid that \$1 million

7 --

8 A Yes. Uh-huh.

9 Q -- on behalf of the company?

10 A Yeah.

11 Q What kind of improvements were done for \$1 million on that
12 property?

13 A We clean up everything. We did a lot of work there.

14 Q Well, clean up exactly what?

15 A We maintain the refinery. We poured the dirt over there.

16 We had a lot of -- a lot of improvement we did there.

17 Q Please describe the improvement that was actually done
18 there.

19 A Well, the improvement done, we build up the road. We have
20 a lot of things we did over there. I can explain you that. I
21 am not day-to-day over there. We have people continuously
22 working there.

23 Q Well, I'm at a loss, because we had people there every
24 week for three (obscured by coughing), and there was virtually
25 no activity except the transfer of oil occasionally.

1 A As far --

2 Q Once a week, once a month.

3 A As far as is my knowledge, we have permanent people
4 working there.

5 Q So you actually paid this million out on improvement?
6 That's already spent?

7 A Yeah, already spent.

8 Q And you have receipts to show that you gave that million
9 dollars?

10 A Sure. That we can provide you.

11 Q And you have accounts?

12 A Uh-huh.

13 Q And that came out of the company accounts that were in
14 bankruptcy here?

15 MR. FUQUA: No.

16 THE WITNESS: No, no, no, no, no. That's --

17 MR. FUQUA: Remember, Mohawk is a subsidiary.

18 BY A VOICE:

19 Q Okay. You have accounts for Mohawk?

20 A Yeah, we have a Mohawk account, too.

21 Q And the Mohawk will show this million dollars coming out?

22 A No. We have in different -- in different companies, we
23 finance that.

24 Q What companies paid out this million dollars?

25 A They are separate entity called Prime Energy.

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1 Q Okay. Prime Energy?

2 A Uh-huh.

3 Q And Prime Energy is actually an operating company?

4 A Yeah.

5 Q Prime Energy was intended to take over one of the

6 buildings in Corridor I. Isn't that correct?

7 A No.

8 Q So if you have proposals showing Prime Energy as --

9 location as being Corridor II, taking over the entire building,

10 those would no longer be in effect?

11 A No.

12 Q Okay. But that was the intention when you took over the

13 refinery, wasn't it?

14 A No.

15 Q Does Prime Energy actually have employees?

16 A Yes. Couple of them.

17 Q Where are they?

18 A They are here in Corridor, in our office.

19 Q Same employees that work for Galleria?

20 A No.

21 Q So what are the names of these employees of Prime Energy?

22 A We have one is called John Barades.

23 Q John?

24 A Barades. B-A-R-A-D-E-S.

25 Q Who else?

1 A And Feroz Dubash.

2 Q Can you spell that?

3 A F-E-R-O-Z. D-U-B-A-S-H.

4 Q Okay. And they're being paid by Prime Energy now?

5 A Yeah.

6 Q And Prime Energy has an account --

7 A Yeah.

8 Q -- in Houston? And Prime Energy is paying them -- what
9 does Prime Energy do?

10 MR. FUQUA: Wait. I'm being really pretty nice about
11 -- this is really Empire.

12 A VOICE: Okay. All right. Let me get down to it
13 this way.

14 MR. FUQUA: I'm trying to let you guys ask any
15 question that occurs, but --

16 A VOICE: Well, this \$10 million is claimed in this.

17 MR. FUQUA: Uh-huh.

18 A VOICE: Of that, it's a debt that we're now finding
19 is funds paid for by Prime Energy, so I think that would allow
20 me --

21 THE WITNESS: Is my personal money.

22 MR. FUQUA: No, it's been his personal money. Empire
23 is not --

24 THE WITNESS: It's not Prime Energy's money or
25 anybody's money. It's my personal money.

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1 A VOICE: But you're claiming on your schedules --

2 THE WITNESS: Yes. This is my personal money.

3 A VOICE: -- that you want that money back from the
4 company.

5 MR. FUQUA: Right, and any party in interest can
6 object to any claim at a confirmation.

7 A VOICE: Okay.

8 BY A VOICE:

9 Q Does Prime Energy have any contracts now with JB Trays?

10 A No.

11 A VOICE: Just a couple of questions.

12 EXAMINATION BY UNIDENTIFIED CREDITOR

13 BY A VOICE:

14 Q Prime Energy: Prime Energy is not a subsidiary of Global
15 Empire?

16 A No. Is independent company.

17 Q Okay. The Hendricks commission: The Hendricks commission
18 would be based only on this refinery, this Mohawk Refinery, and
19 the office --

20 A No, no, no. He's traveling for us overseas many times,
21 and he's involved in our international business, so that is his
22 commission is.

23 Q But none of those projects have come to fruition?

24 A They are in the progress. They are working since last two
25 years on that.

1 Q Okay. But I think you told me earlier, Global Empire
2 hadn't made any investments in any --

3 A Not Global Empire. We have different companies. We
4 operate under that.

5 Q So he was --

6 A Global Empire is only a simple holding company.
7 Investment company. That's all.

8 Q Okay.

9 A Global is not a regular entity that we done the business
10 through there. Is investment and holding company. That's all
11 we do under Global Empire.

12 Q Okay. So Petrol Oil Services, is that a company?

13 A Yes.

14 Q Okay. Does it have any employees?

15 A Not yet.

16 Q Okay. What about Prime Stops, LLC?

17 A We are acquiring some gas stations. That is under that
18 company.

19 Q Okay. Have you acquired any yet?

20 A No, not yet. We are under contract.

21 Q What about Crown NRG Refinery?

22 A Yes. In Lake Charles.

23 Q Is it a company?

24 A Yeah.

25 Q Okay. And is that a company that Global Empire has any

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1 interest in?

2 A No.

3 Q Does it have employees?

4 A Not yet.

5 Q What about World Times Communications, LLC?

6 A That's independent company.

7 Q Okay. Does it exist?

8 A Yeah.

9 Q Does it have employees?

10 A Yes.

11 Q Okay. Does Global Empire have an interest?

12 A No.

13 Q Just out of curiosity, what World Times Communications do?

14 A Is a telephone company. We provide the -- we provide
15 telephone services, prepaid. That we do.

16 Q Where is that company located?

17 A In 5851 Southwest Freeway.

18 Q But is it -- it's not associated with Global Empire?

19 A No.

20 Q Okay. What about --

21 MR. FUQUA: The first question was it was not a
22 subsidiary of Global Empire. Is it?

23 THE WITNESS: No, is not.

24 MR. FUQUA: It's not? Okay. I just want to make
25 sure that I understand.

1 A VOICE: I want to be clear. When I use the term
2 "subsidiary," with respect to these companies I've just named,
3 I'm referring to companies in which you may own -- Global
4 Empire may own an interest.

5 THE WITNESS: No, Global Empire don't own interest in
6 any one of them. They are all independent.

7 BY A VOICE:

8 Q Okay. First American Source Realty?

9 A Yeah. Independent company.

10 Q Okay. Does it have employees?

11 A No.

12 Q Does it exist?

13 A It exists, but does not.

14 Q What about First American Source Mortgage?

15 A No.

16 Q And do -- you mentioned two companies -- I believe World
17 Times Communications and Prime Energy -- that actually did have
18 employees. Do these companies pay rent to --

19 A Yes.

20 Q -- your building?

21 A Yeah.

22 Q Okay. I want to ask about another one, which is this
23 casino. Give me a second. The Myriad Casino and Entertainment
24 Complex.

25 A We are involved in that one to develop that one in

1 | Mississippi.

2 | Q Okay.

3 | A We are not yet start that one. We're working on the
4 | financing on that.

5 | Q Okay. Does Global Empire have any interest in --

6 | A No.

7 | Q When you say you are working on financing, is that you're
8 | working on financing to buy that?

9 | A We are going to build that.

10 | Q Build that?

11 | A Is not a buying. Is not -- doesn't exist yet.

12 | Q Okay.

13 | MR. FUQUA: Nothing exists in Mississippi at the
14 | moment.

15 | MR. STATHAM: Okay. Other creditors with questions?

16 | MR. STOKES: I have a couple more on that.

17 | BY MR. STOKES:

18 | Q As far as Mr. Hendricks and his commissions, how many were
19 | actually attributable to Global? You say he worked for other
20 | companies of yours overseas.

21 | A What, sir?

22 | Q Well, I believe you said that Mr. Hendricks did work for
23 | other companies of yours, including Prime Energy?

24 | A Uh-huh.

25 | Q Now, Prime Energy is not a subsidiary, but it's a company

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1 | that you own?

2 | A I own.

3 | Q Okay. And how much of that \$2 million is attributable to
4 | Prime Energy or companies other than Global?

5 | A Is I think majority of the Prime Energy.

6 | Q So most of that \$2 million is actually owed --

7 | A Prime Energy and -- I think half and half on Global and
8 | for Prime Energy.

9 | Q So out of that \$2 million, about half of that's
10 | attributable to Global?

11 | A Yeah.

12 | Q All right. So the other half is to a company that is not
13 | connected to Global directly, --

14 | A No, is not connected.

15 | Q -- but to you?

16 | A Yeah.

17 | Q Okay. And what is your relationship -- or, Global -- what
18 | is Global's relationship to JB Trays?

19 | A No relationship anymore. We --

20 | Q Well, anymore? What was your relationship, then?

21 | A Before, we was acquiring that one, we thought that is a
22 | good addition to our energy plan, what we want to do, because
23 | it's just service company. And --

24 | Q What happened to that?

25 | A -- after that, we found out that is no good for us, so --

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1 Q When did -- when were deciding to buy JB Trays?

2 A I think it was in 2003 sometimes.

3 Q Is that how you were connected with the -- now, the money
4 that you borrowed from my clients was in conjunction with
5 buying some properties in Humble (phonetic). Is that correct?

6 A I have no idea that.

7 Q That was secured by property either owned or being bought
8 by JB Trays?

9 A That was their property.

10 Q Okay. Well, why did you -- I mean, you're on the note,
11 too. Why did you take on the note?

12 A We are only the note part which we got the money. The
13 rest, JB Trays owed them, and they are between their
14 businesses.

15 Q Okay. Well, what was the loan to you for?

16 A For our -- I don't know. At that time, we need some
17 improvements done or something in the buildings and that we
18 needed.

19 Q For the Corridors or --

20 A Yes. Corridors.

21 MR. STOKES: That's all I have.

22 MR. STATHAM: Any other questions from creditors?

23 A VOICE: No.

24 MR. FUQUA: I'm not a creditor, so --

25 MR. STATHAM: In that case, we will conclude this

1 meeting of creditors. Thank you for attending.

2 (Meeting concluded at 11:38 a.m.)

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CERTIFICATE

18 I certify that the foregoing is a correct transcript from
19 the electronic sound recording of the proceedings in the above-
20 entitled matter.

21

Kathy Rehling

23 Kathy Rehling, Transcriber

1/3/2008

Date

24 Approved Transcription Service

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